

CCH Finance Committee Meeting April 2019



Ekerete Akpan, Chief Financial Officer

April 18, 2019



**COOK COUNTY
HEALTH**

Agenda

1. System-wide Financials & Stats
 - a. Financials
 - b. Observations
 - c. Financial / Revenue Cycle metrics
2. CCH Provider Service Financials
3. CountyCare Financials & Stats
4. Correctional Health services Financials & Stats
5. Department of Public Health Financials & Stats
6. Administration Financials
7. System-wide volumes/stats



Systems-wide Financials, Observations, and Revenue Cycle Metrics



COOK COUNTY
HEALTH

Income Statement for the Three Months ending Feb.- 2019 (in thousands)

CCH Systemwide	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	146,828	183,303	(36,475)	-20%
County Care Access Payments	105,515	-	105,515	n/a
CountyCare Capitation Revenue	444,507	455,437	(10,931)	-2%
Cook County Access Payments	12,447	12,447	-	0%
Other Revenue	1,121	3,250	(2,129)	-66%
Total Operating Rev	710,418	654,437	55,980	9%
<u>Operating Expenses</u>				
Salaries & Benefits	157,869	178,209	20,340	11%
Overtime	11,918	8,950	(2,967)	-33%
Contracted Labor	11,138	8,530	(2,608)	-31%
Pension*	27,482	81,841	54,359	66%
Supplies & Materials	10,648	15,538	4,890	31%
Pharmaceutical Supplies	20,074	20,207	132	1%
Purch. Svs., Rental, Oth.	55,128	77,206	22,078	29%
External Claims Expense	373,463	354,142	(19,320)	-5%
County Care Access Expense	105,515	-	(105,515)	n/a
Insurance Expense	6,670	7,359	689	9%
Depreciation	8,676	8,676	-	0%
Utilities	4,963	2,471	(2,492)	-101%
Total Operating Exp	793,545	763,130	(30,415)	-4%
Operating Margin	(83,127)	(108,693)	25,566	24%
Operating Margin %	-12%	-17%	5%	30%
Non Operating Revenue	49,522	64,854	(15,332)	-24%
Net Income/(Loss)	(33,605)	(43,839)	10,234	23%



Observations

- Primary Care visits are up by 4% versus FY18, and down 1% versus FY19 target
- Specialty Care visits are up by 3% versus FY18, and down 2% versus FY19 target
- Surgical Cases are down by 2% versus FY18, and down 8% versus FY19 target
- Inpatient Discharges are down 10% versus FY18
- LOS is down 3% versus FY18, and 3% versus FY19 target
- Emergency Department visits are down 3% versus FY18
- Deliveries are up by 6% versus FY18, and down 4% versus FY19 target
- Case Mix Index is up 25% versus FY18, and down 17% versus FY19 target
- System-wide uninsured numbers, captured by visit held 45% (Provident 36%, ACHN 45%, Stroger 48%)

Financial Metrics

Metric	As of end Feb-18/YTD	As of end Feb-19/YTD	Target
Days Cash On Hand**	15	21	60
Operating Margin***	-6.3%	-8.9%	-5.4%
Overtime as Percentage of Gross Salary	8.6%	8.1%	5.0%*
Average Age of Plant (Years)	23.3	23.2	10.7

*Days Cash on Hand - CCH target 60 days, Moody's 198 days . Overtime as percentage of Gross Salary – CCH target 5% , Moody's 2%

** Days Cash in Hand – Point in time i.e. as of end October for each year

***Excludes Pension Expense-Target based on compare group consisting of 'like' health systems : Alameda Health System, Nebraska Medical Center, Parkland Health & Hospital System, and UI Health



Revenue Cycle Metrics

Metric	Average FYTD 2019	Feb-19	Mar-19	Benchmark/Target
Average Days in Accounts Receivable <i>(lower is better)</i>	100	105	96	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	11	11	10.6	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	22%	20%	23%	20%

Definitions:

Average Days in Accounts Receivable: Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days: Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage: Percentage of claims denied initially compared to total claims submitted.

* Source HFMA Key Hospital Statistics and Ratio Margins – Posted 2014



Provider of Care Services Financial and Operational Statistics



COOK COUNTY
HEALTH

Income Statement for the Three Months ending Feb.- 2019 (in thousands)

CCH Providers	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	146,828	183,303	(36,475)	-20%
Cook County Access Payments	12,447	12,447	-	0%
Other Revenue	862	2,795	(1,933)	n/a
Total Operating Rev	160,138	198,545	(38,407)	-19%
<u>Operating Expenses</u>				
Salaries & Benefits	131,866	140,707	8,842	6%
Overtime	10,196	7,629	(2,567)	-34%
Contracted Labor	10,255	5,721	(4,534)	-79%
Pension*	22,539	68,587	46,048	67%
Supplies & Materials	10,487	14,467	3,980	28%
Pharmaceutical Supplies	18,218	17,706	(512)	-3%
Purch. Svs., Rental, Oth.	33,807	48,214	14,407	30%
Insurance Expense	6,494	-	(6,494)	n/a
Depreciation	5,377	5,377	-	0%
Utilities	4,963	2,432	(2,531)	-104%
Total Operating Exp	254,200	310,840	56,640	18%
Operating Margin	(94,062)	(112,295)	18,233	16%
Operating Margin %	-59%	-57%	-2%	-4%
Non Operating Revenue	27,686	41,027	(13,342)	-33%
Net Income/(Loss)	(66,377)	(71,268)	4,892	7%

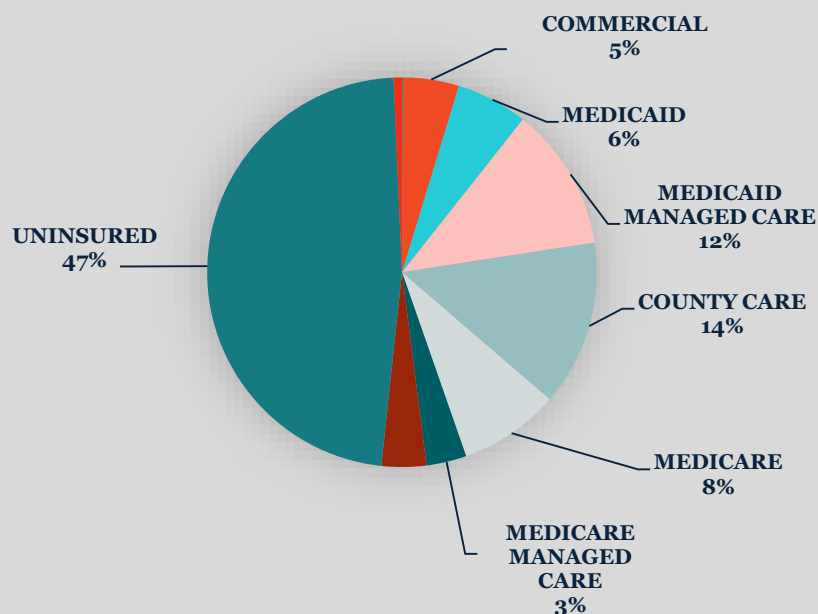


Revenue Statement for the Two Months ending Feb-2019 (in thousands)

CCHHS Providers	Year-To-Date <i>Actual</i>
Gross Revenue	399,604
<u>Adjustments</u>	
Contractual Adjustments	(109,518)
Charity Adjustments	(113,877)
Total Adjustment	(223,395)
Gross NPSR	176,209
Bad Debt Allowance	(101,640)
Adjusted NPSR	74,569
DSH	39,175
BIPA	33,084
Adjusted NPSR plus DSH and BIPA	146,828
Adjusted NPSR plus DSH and BIPA as a % of Gross Revenue	37%



Stroger Operations Overview for the Three Months ending February 2019



Comments:

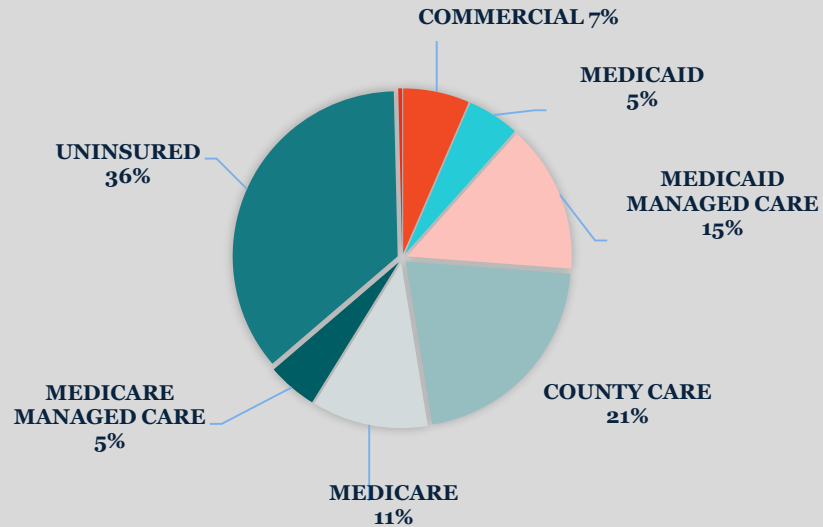
- Targeted efforts to improve surgical volumes is ongoing
- Leadership continues to work on throughput, observation days and discharges via Utilization Management and Operating Room Committee

Inpatient/Observation-FYTD			
Measure	FY2019	FYTD Target	FY2018
Inpatient Discharges	3,979	4,398	4,389
- Long Stay Admissions	856	891	886
- One Day Admissions	249	249	252
Inpatient Days	21,749	21,588	22,133
Observation Discharges	2,520	2,571	2,350
Observation Days (Observation Discharge)	5,109	4,698	4,768
Avg LOS (Inpatient Discharge)	5.9	---	6.0
Average Daily Census (Inpatient & Observation)	298.4	294.5	298.9
Surgical Cases	2,716	3,243	2,916
Procedures (CPTs)	---	---	---
Radiology Tests	10,559	---	10,422
Deliveries	245	273	229

Outpatient Clinic- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	128,790	140,508	127,231
Total Provider Visits*	77,695	85,857	77,527
Specialty/Diagnostic/Procedure Provider Visits			
Austin (AH)	1186	1,419	1,389
Core Specialty	2,379	2,616	2,234
Hospital - Based	4,332	5,157	4,857
Specialty Care / Fantus / Professional Bldg	54,092	60,192	54,149
Total	61,989	69,384	62,629
Primary Care Provider Visits			
Core	3,097	3,456	3,092
Core Peds	97	147	107
GMC	11,509	11,745	10,733
Peds	1,003	1,125	966
Total	15,706	10,982	14,898

Emergency- FYTD			
Measure	FY2019	FYTD Target	FY2018
Emergency Visits (includes LWBS & Trauma)	29,209	30,435	29,797
Adult Emergency Visits	24,135	25,206	24,317
Peds Emergency Visits	1,672	1,731	1,969
Trauma Visits	1,820	1,965	1,893
LWBS	1,582	1,218	1,618
Radiology Tests	23,238	---	25,144

Provident Operations Overview for the Three Month ending February 2019



Comments:

- Leadership reviewing Observation days & discharges, left without being seen
- Sustained growth in surgical cases and specialty services
- Expect more volume growth as we procure equipment and fully staff new clinical capacity

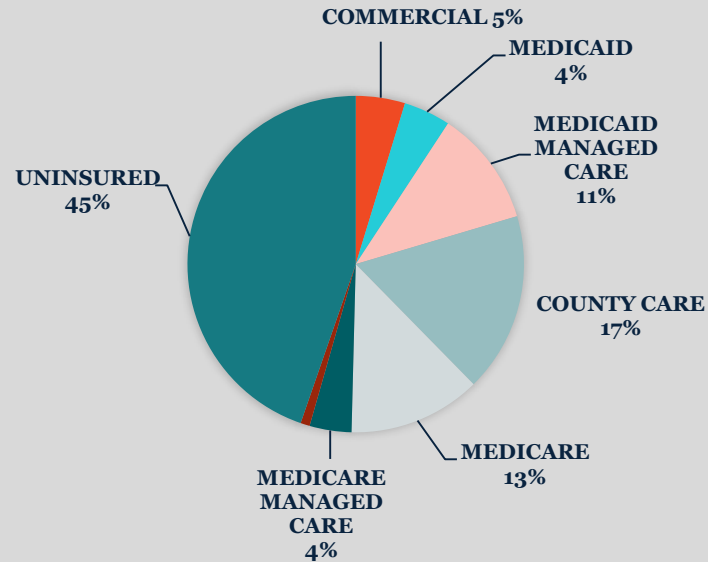
Inpatient/Observation-FYTD			
Measure	FY2019	Monthly Target	FY2018
Inpatient Discharges	137	147	178
- Long Stay Admissions	21	30	36
- One Day Admissions	14	9	11
Inpatient Days	627	750	799
Observation Discharges	170	156	150
Observation Days (Observation Discharge)	321	309	293
Avg LOS (Inpatient Discharge)	5.9	---	6.0
Average Daily Census (Inpatient & Observation)	10.5	12	12.1
Surgical Cases	678	909	562
Procedures (CPTs)	---	---	---
Radiology Tests	76	---	78

Emergency- FYTD			
Measure	FY2019	Monthly Target	FY2018
Emergency Visits (including LWBS)	7,168	8,208	7,403
Adult Emergency Visits	6,304	7,219	6,510
Peds Emergency Visits	340	442	452
LWBS	524	306	441
Radiology Tests	3,821	---	4,160

Outpatient Clinic- FYTD			
Measure	FY2019	Monthly Target	FY2018
Total Registrations	20,842	22,344	18,558
Amb of Prov - Specialty/Diagnostic/Procedure Provider Visits	379	608	673
Sengstacke - Specialty/Diagnostic/Procedure Provider Visits	7,888	8,354	6,671
Sengstacke Primary	4,354	4,185	3,757
Sengstacke Primary Peds	236	189	31
Radiology Tests	2344	---	2240



ACHN Operations Overview for the Three Months ending February 2019



Comments :

- Positive growth trends in Primary care and Specialty care provider visits (2% growth) vs FY 2018 actuals
- Leadership continues to focus on initiatives including patient access and increasing specialty care availability at clinics

CCHC Primary- FYTD			
Measure	FY2019	FYTD Target	FY2018
Arlington Heights (AR)/Vista (VH)	2,593	2,943	2,572
Austin (AH)	2,783	3,396	3,156
Child Advocacy	121	141	155
Cicero (CH)	2,550	2,871	2,626
Cottage Grove (CG)	2,254	2,502	2,143
Englewood (EH)	3,227	3,159	2,745
Logan Square (LS)	3,212	3,609	3,328
Morton East (ME)	216	234	230
Near South (NS)	3,317	3,789	3,287
OFHC (OF)	3,334	3,903	3,467
Prieto (PH)	4,164	4,389	4,049
Robbins (RH)	2,512	2,607	2,265
Woodlawn (WH)	2,558	2,664	2,177
Total Primary Care Provider Visits	32,841	36,207	32,200

CCHC Specialty- FYTD			
Measure	FY2019	FYTD Target	FY2018
Austin (AH)	92	117	109
Cicero (CH)	208	258	251
Logan Square (LS)	211	243	208
OFHC (OF)	6,698	7,632	6,683
Oral Health (OH)	1,100	1,323	1,252
Siegle Health Center	109	---	-
Total Specialty Care Provider Visits	8,418	9,573	8,503

CCHC Total- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	59,080	65,769	57,530
Total Provider Visits*	40,200	44,505	39,489

*excludes Stroger Specialty Care, CORE, Stroger-Hospital Based Clinics, Sengstacke GMC & Psych, Austin Behavioral Health, and Oral Health assuming all registrations are provider visits



CountyCare Health Plan Financial and Operational Statistics

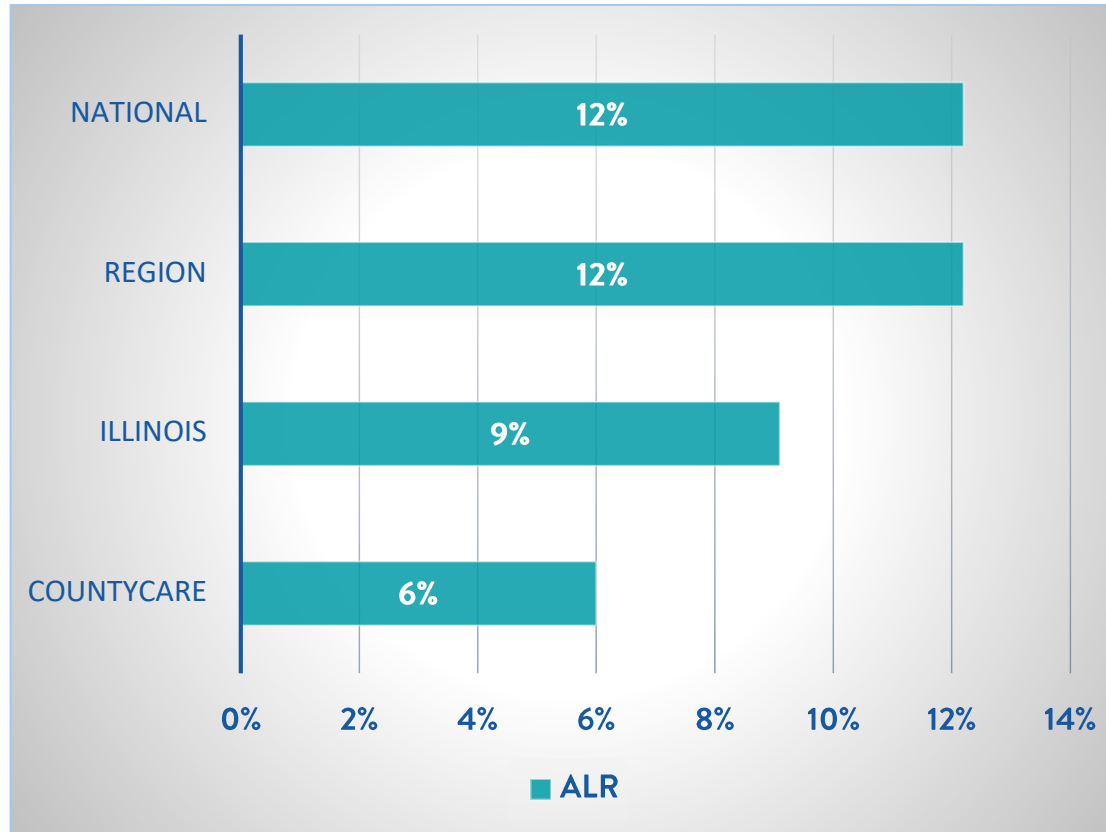


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Income Statement for the Three Months ending Feb.- 2019 (in thousands)

	Actual	Year to Date Budget	Variance
Member Months	998	973	25
Total Revenue	556,437	427,266	129,170
Expense			
Total Admin Expenses	21,356	19,030	(2,326)
CCH Clinical Expenses			
Claims	39,449	55,302	15,853
Pharmacy Claims	3,989	8,380	4,391
Care Management	2,934	-	(2,934)
Total CCHHS Clinical Expenses	46,372	63,682	17,310
External Clinical Expenses			
Claims	266,899	221,951	(44,948)
Hospital Supplemental Access Pmt	105,515	-	(105,515)
Pharmacy Claims	77,341	75,042	(2,299)
Care Management	14,111	19,212	5,101
Dental Claims	8,373	9,926	1,553
Transportation Claims	4,169	4,505	336
Optical Claims	1,741	1,143	(598)
Member Incentives	828	854	27
Total External Clinical Expenses	478,978	332,633	(146,345)
Total Clinical Expenses	525,350	396,316	(129,034)
Total Expenses	546,706	415,345	(131,361)
Net Income Before Rate Adjustment	9,731	11,921	(2,190)
Medical Loss Ratio (MLR)	94%	93%	-2%
Net Income Before Prior Period Adj/IGT	9,731	11,921	(2,190)
IGT	6,415	9,013	(2,599)
Amortization	2,319	2,319	-
Net Income After IGT And Amortization	997	588	409
Total CCHHS Impact	56,102	75,603	(19,501)

CountyCare Operations Stats for the Three Months ending February 2019



Comments:

- CountyCare Medical Loss Ratio is better than National and Regional, sustained at 94% YTD.
- With 320,994 members in February 2019 , CountyCare is the still largest Medicaid Managed Care plan in Cook County
- Leadership focused on several initiatives to achieve cost efficiency and protect market share

Milliman Research Report-Medicaid Risk-Based Managed Care: Analysis of Financial results for 2016 . Region consists of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
MLR – Medical Loss Ratio , %tage of premium spent on health care quality . ALR Administrative loss Ratio - %tage spent on overhead expenses, such as marketing, profits, salaries, administrative costs etc.



Correctional Health Services Financial and Operational Statistics



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Income Statement for the Three Months ending Feb.- 2019 (in thousands)

Correctional Health Services	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	0	-	0	0%
<u>Operating Expenses</u>				
Salaries & Benefits	14,243	17,033	2,790	16%
Overtime	1,573	1,209	(365)	-30%
Contracted Labor	23	92	69	75%
Pension*	2,410	5,999	3,589	60%
Supplies & Materials	147	184	37	20%
Pharmaceutical Supplies	1,857	2,500	643	26%
Purch. Svs., Rental, Oth.	627	2,750	2,123	77%
Insurance Expense	93	-	(93)	n/a
Depreciation	26	26	-	0%
Total Operating Exp	20,999	29,792	8,792	30%
Operating Margin	(20,999)	(29,792)	8,793	30%
Operating Margin %	na	na	na	na
Non Operating Revenue	19,303	20,031	(728)	-4%
Net Income/(Loss)	(1,696)	(9,760)	8,065	83%

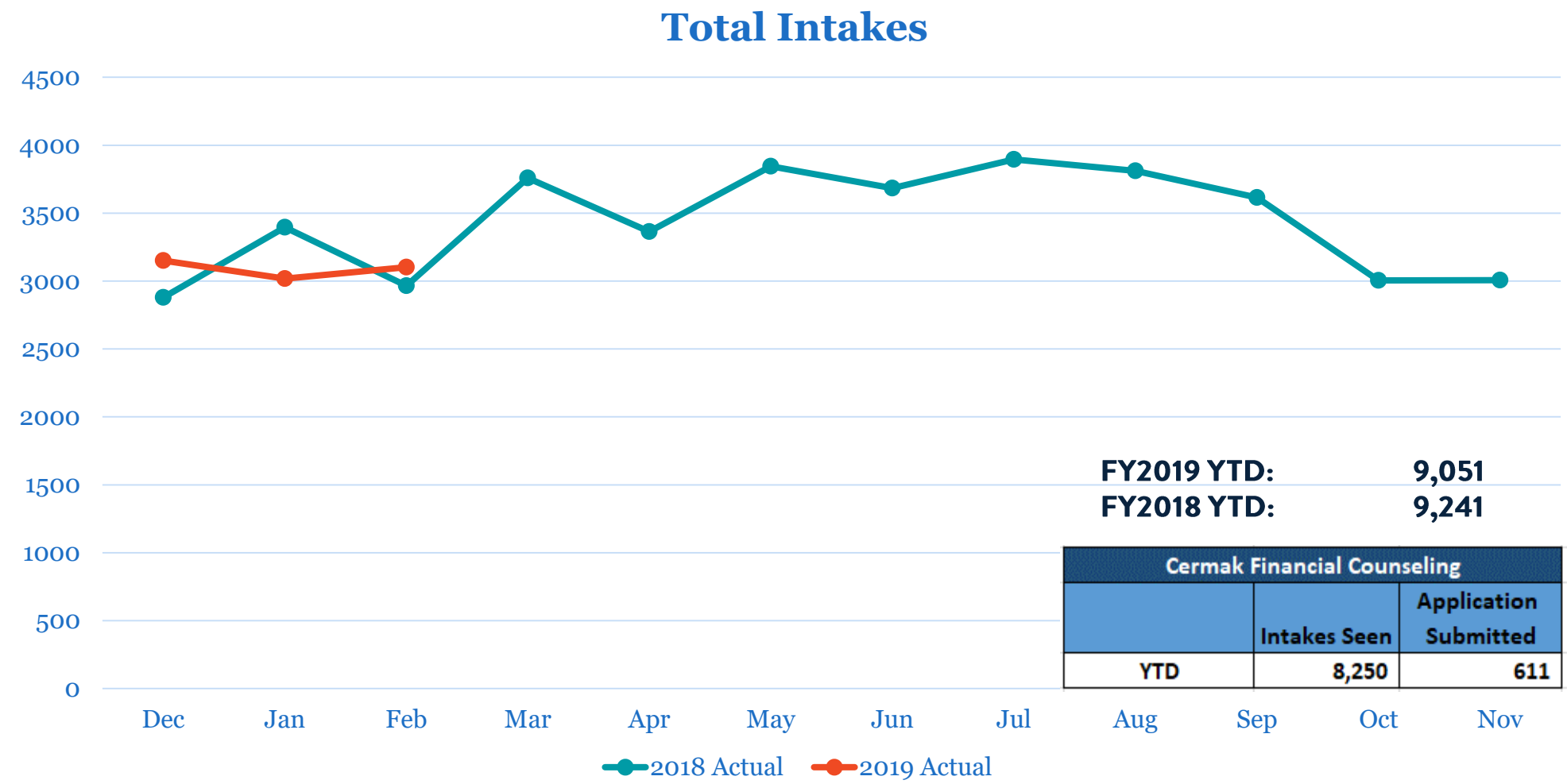
Unaudited Financial Statement



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*Year to Date (3 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

Correctional Health Operation Overview for the Three Months ending February 2019



- Comments:**
- Over 91% of intakes are screened by financial counselling to ensure continuity of coverage

Cook County Dept. of Public Health Financial and Operational Statistics



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Income Statement for the Three Months ending Feb.- 2019(in thousands)

COOK COUNTY PUBLIC HEALTH	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	258	455	(197)	-43%
<u>Operating Expenses</u>				
Salaries & Benefits	2,165	2,585	420	16%
Overtime	3	2	(1)	-49%
Contracted Labor	0	34	34	99%
Pension*	359	834	475	57%
Supplies & Materials	5	29	24	81%
Purch. Svs., Rental, Oth.	99	580	480	83%
Insurance Expense	16	-	(16)	n/a
Depreciation	1	1	-	0%
Utilities	-	25	25	100%
Total Operating Exp	2,648	4,089	1,441	35%
Operating Margin	(2,390)	(3,634)	1,244	34%
Operating Margin %	na	na	na	na
Non Operating Revenue	359	436	(77)	-18%
Net Income/(Loss)	(2,030)	(3,197)	1,167	36%

Unaudited Financial Statement



COOK COUNTY
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*Year to Date (3 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

CCDPH Operation Overview for the Three Months ending February 2019

	Program Title	Metric	YTD Thru Feb 19	FY19 Target
Public Health	Administration	Percent of high-risk infant APORS (Adverse Pregnancy Outcome Reporting System) referrals received that are contacted for follow-up by the Public Health Nurse within 14 calendar days of referral	84%	85%
		Cost per county residents served	\$5.71	\$5.71
	Environmental Health	Cost per Inspection Efficiency	\$208.56	\$208.56
		Time from receipt of Chlamydia or gonorrhea report to field (days)	5	5
	Communicable Diseases	Percent of food establishments with isolated illness complaints within a contracted community or unincorporated Suburban Cook County that are inspected within 2 business days of receipt of complaint	100%	100%
	Program Title	Metric	YTD Thru Feb 19	FY19 Target
Lead Poisoning Prevention	Lead Poisoning Prevention	Percentage of cases with elevated blood levels visited within the timeline provided in protocols	90%	90%
		Percentage of cases with elevated blood lead levels who receive joint nursing visit and environmental risk assessment visit	95%	95%
	Program Title	Metric	YTD Thru Feb 19	FY19 Target
TB Program	TB Program	Number of completed Direct Observation Treatments (DOT)	95%	91%



CCH Administration Financial Statements



Income Statement for the Three Months ending Feb.- 2019 (in thousands)

<u>Administration</u>	Year-To-Date		Variance	
	<i>Actual</i>	<i>Budget</i>	\$	%
<u>Operating Expenses</u>				
Salaries & Benefits	8,739	9,527	788	8%
Overtime	73	43	(30)	-71%
Contracted Labor	860	2,683	1,823	68%
Pension*	1,462	4,643	3,181	69%
Supplies & Materials	9	156	147	94%
Purch. Svs., Rental, Oth.	168	794	626	79%
Insurance Expense	68	-	(68)	n/a
Depreciation	953	953	-	0%
Total Operating Exp	12,333	18,798	6,465	34%
Operating Margin	(12,333)	(18,798)	6,465	34%
Non Operating Revenue	1,462	2,429	967	40%
Net Income/(Loss)	(10,871)	(16,369)	5,498	34%

Unaudited Financial Statement

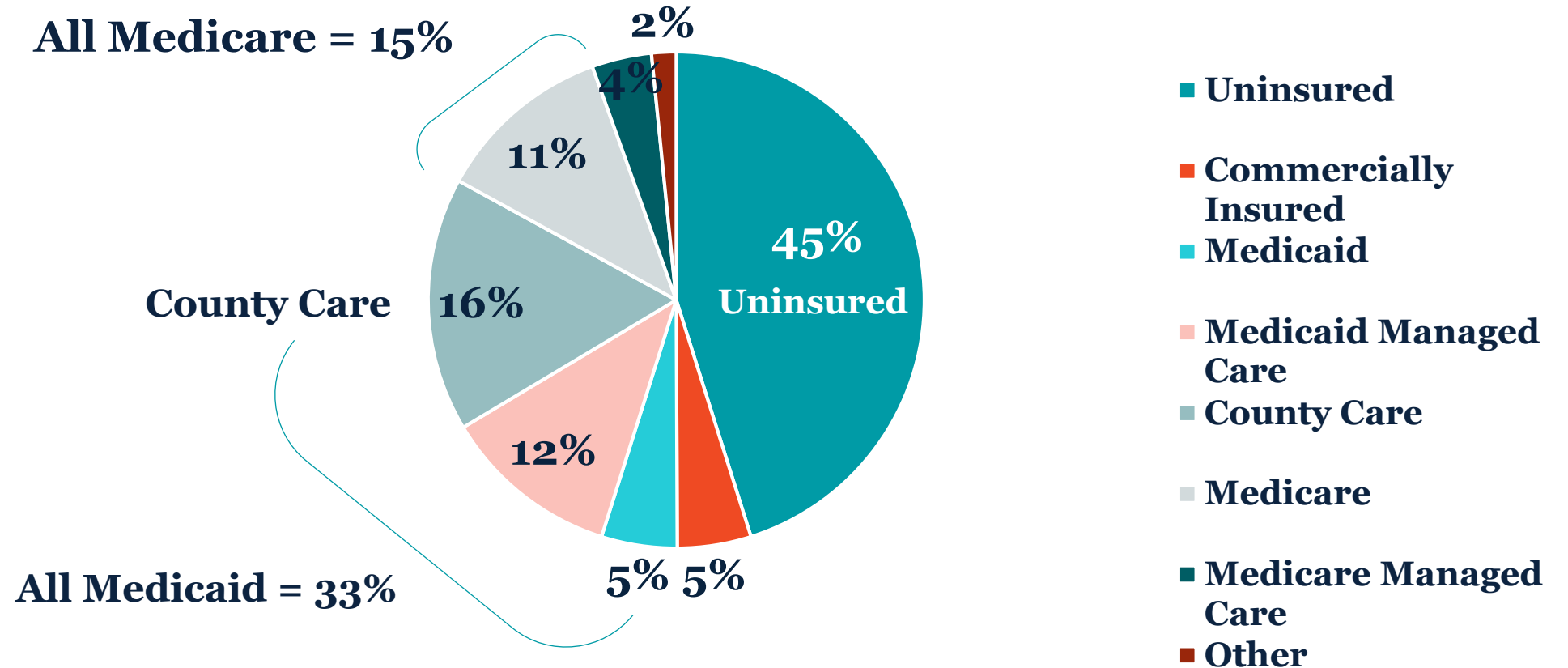
Appendix

System-wide Volumes / Stats

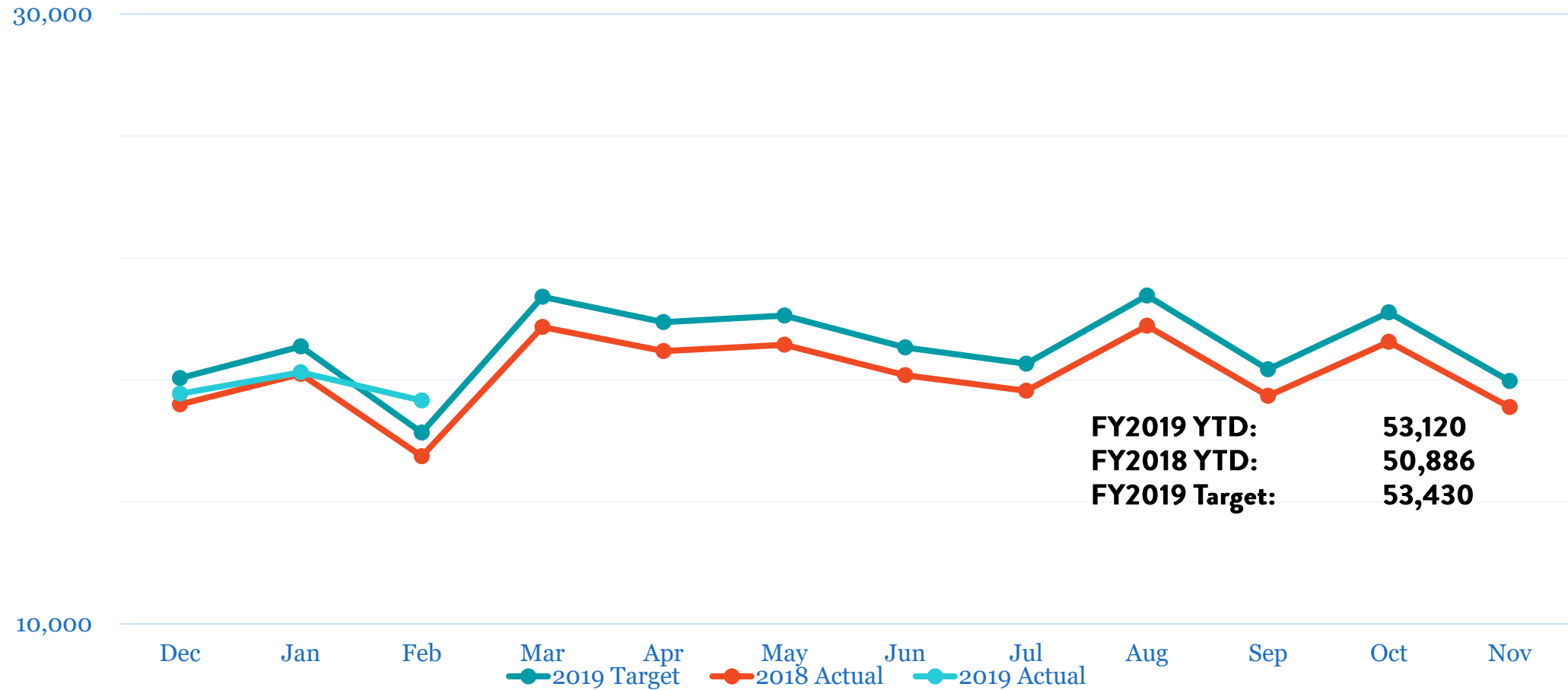


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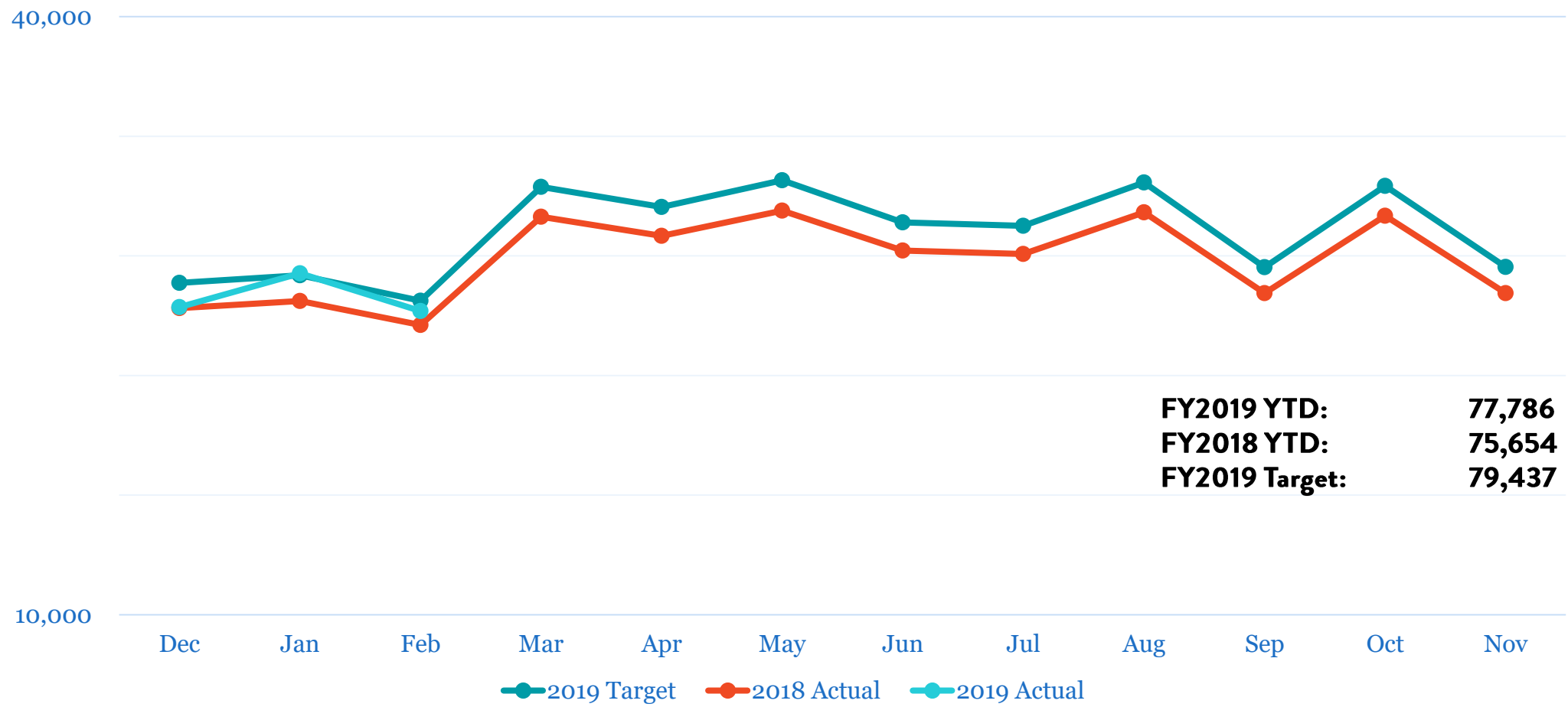
System Payor Mix By Visit



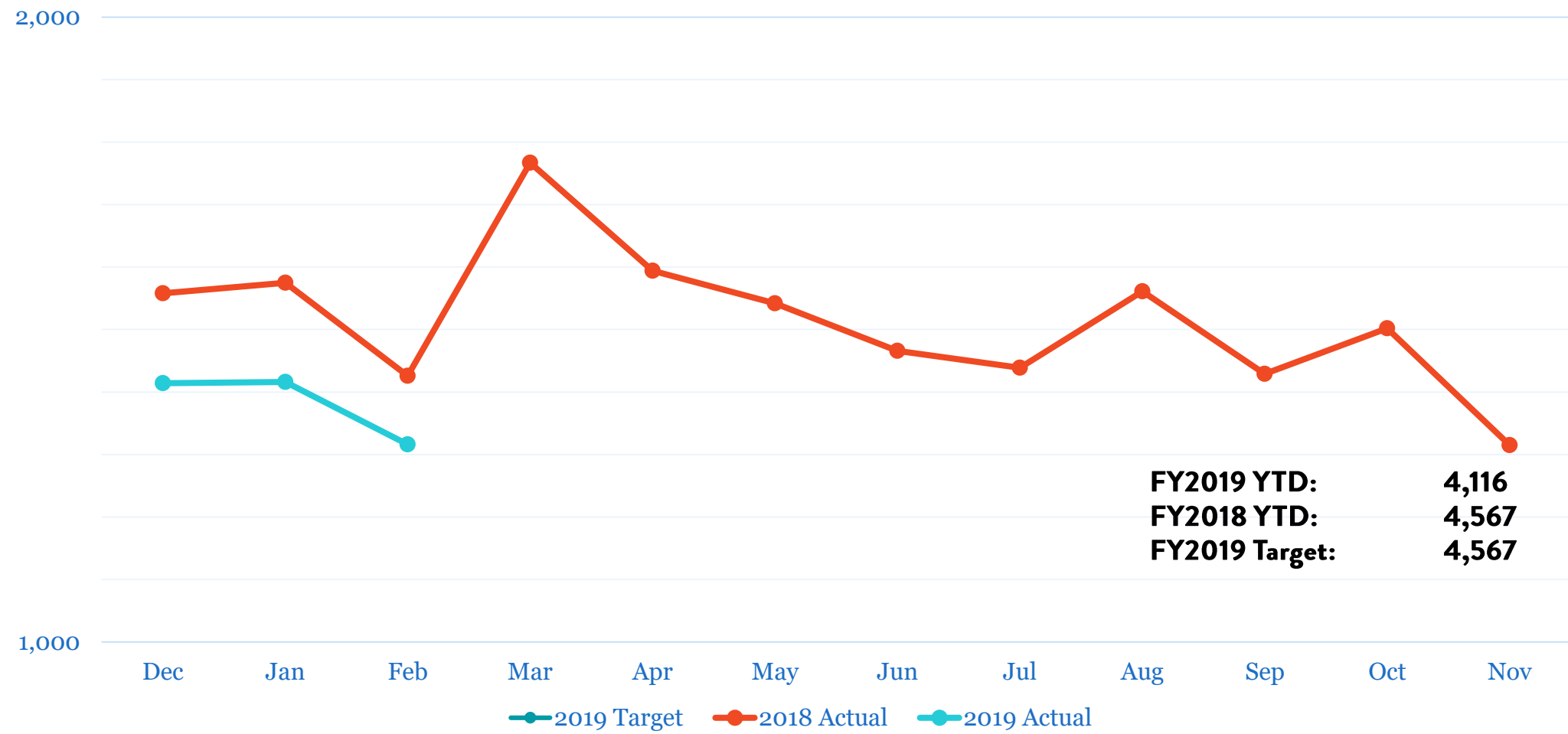
Primary Care Provider Visits



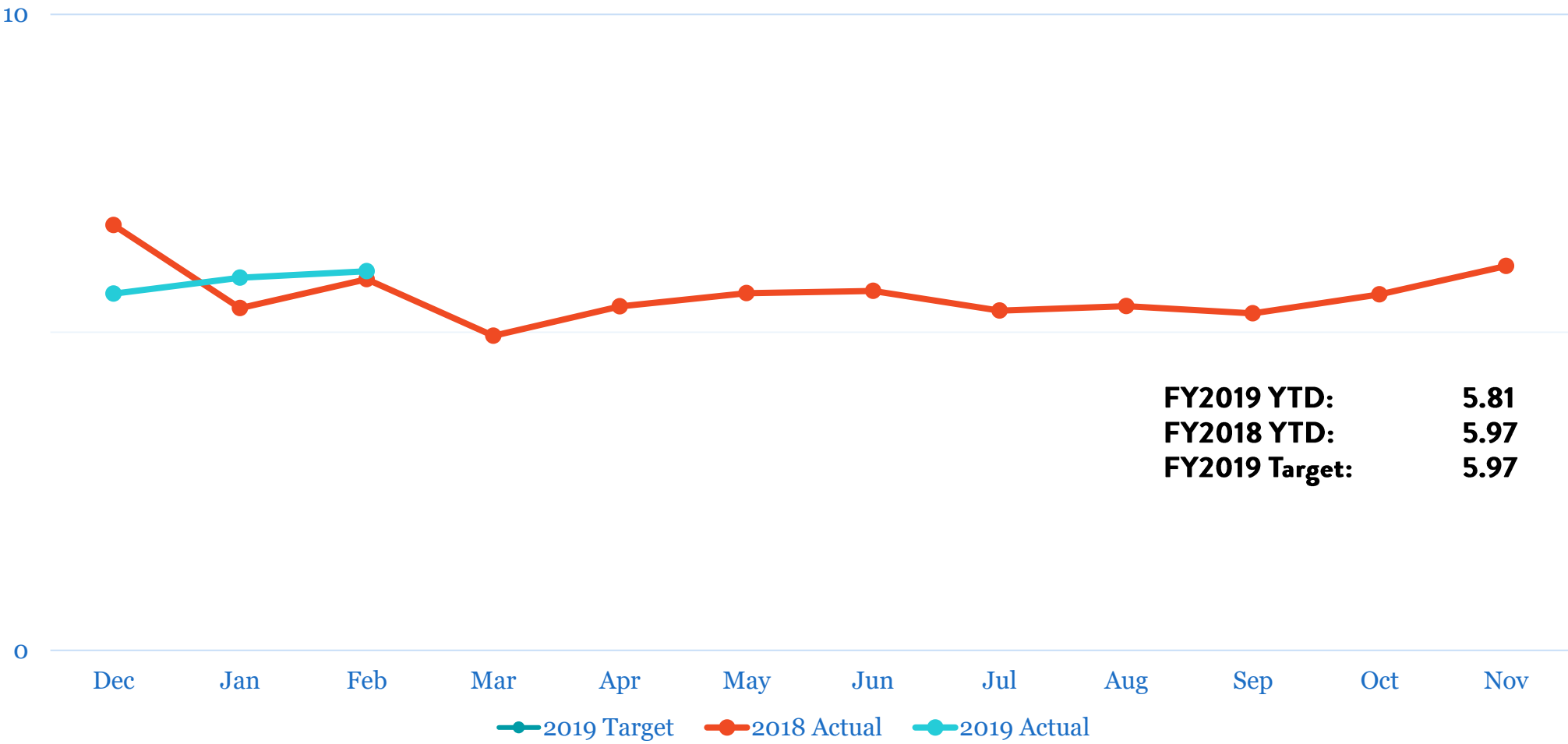
Specialty Care Provider Visits



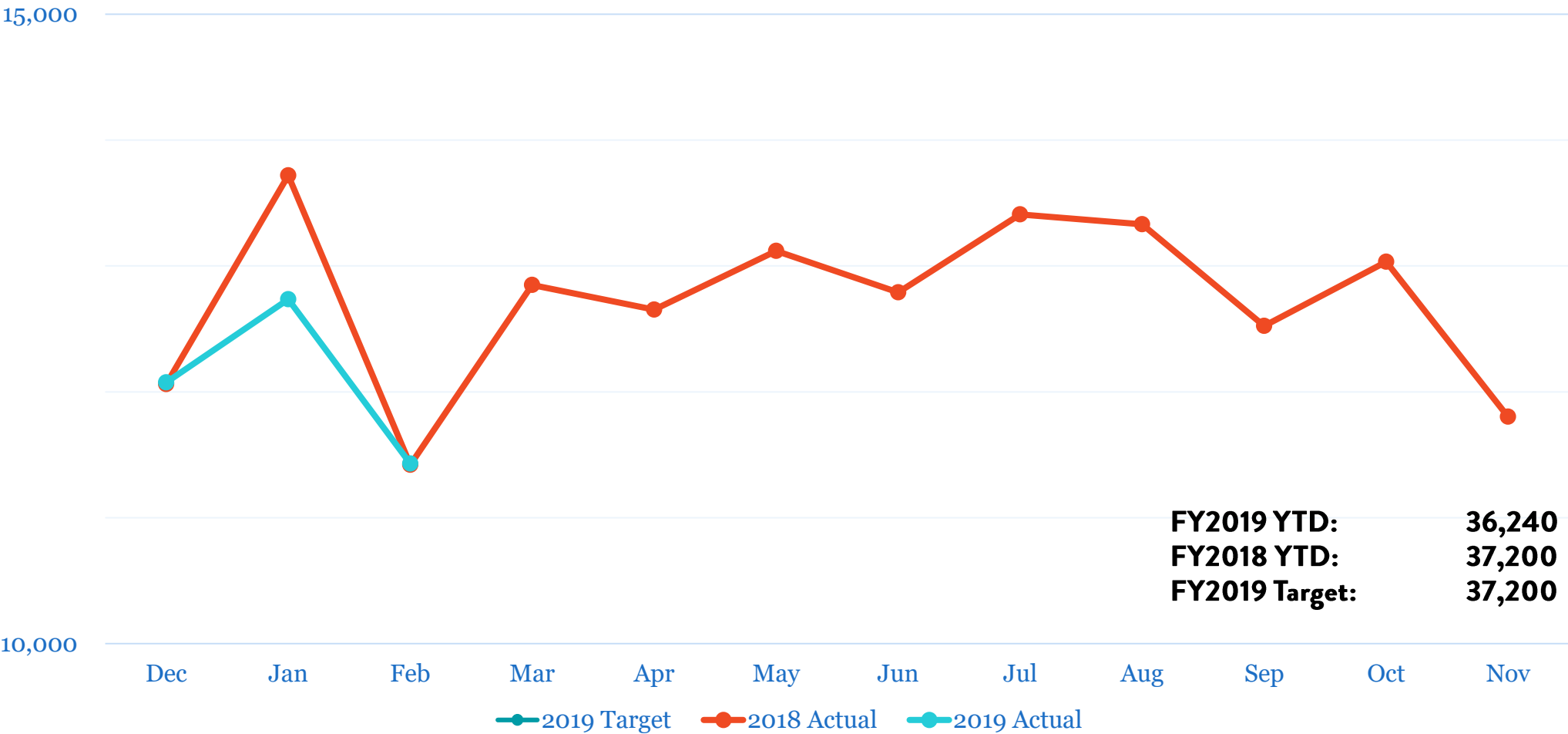
Total Inpatient Discharges



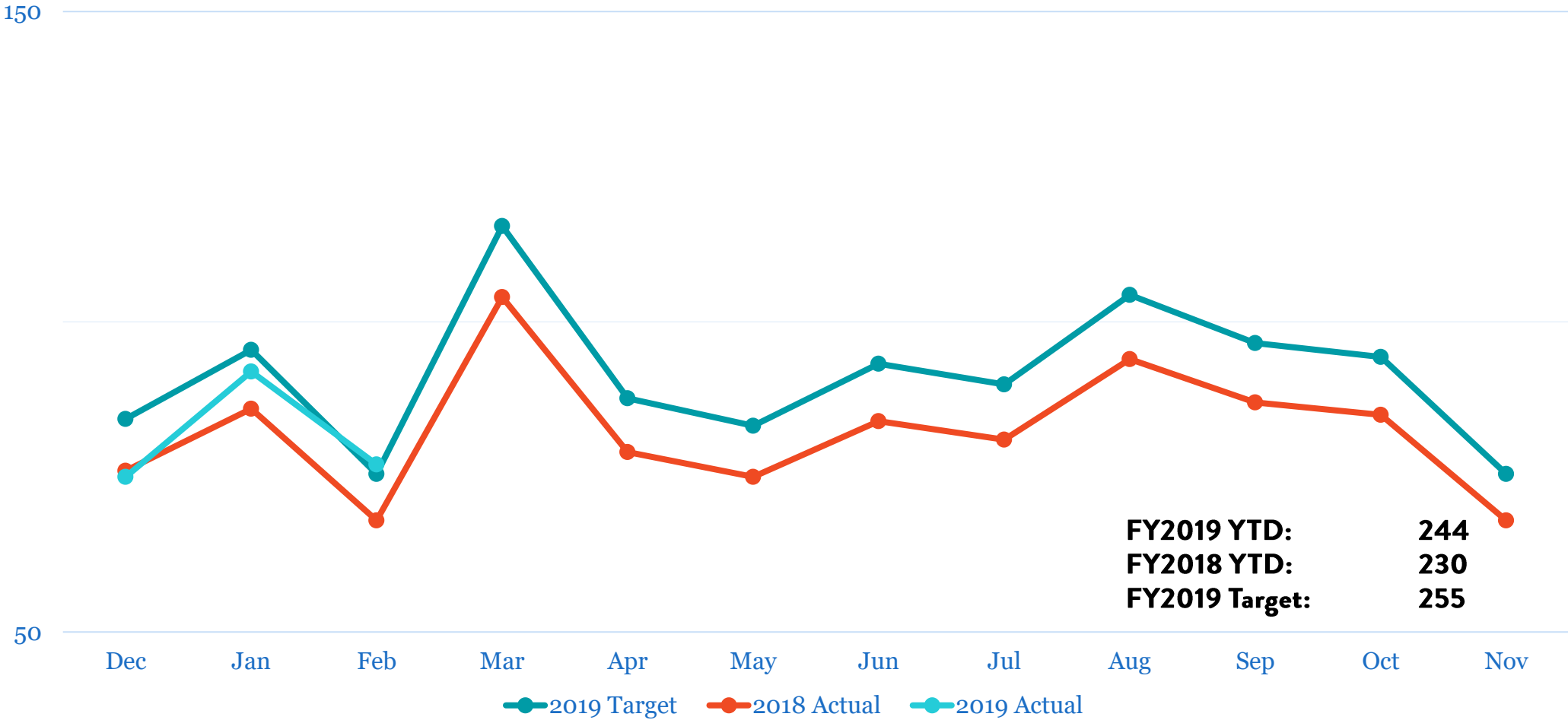
Average Length of Stay



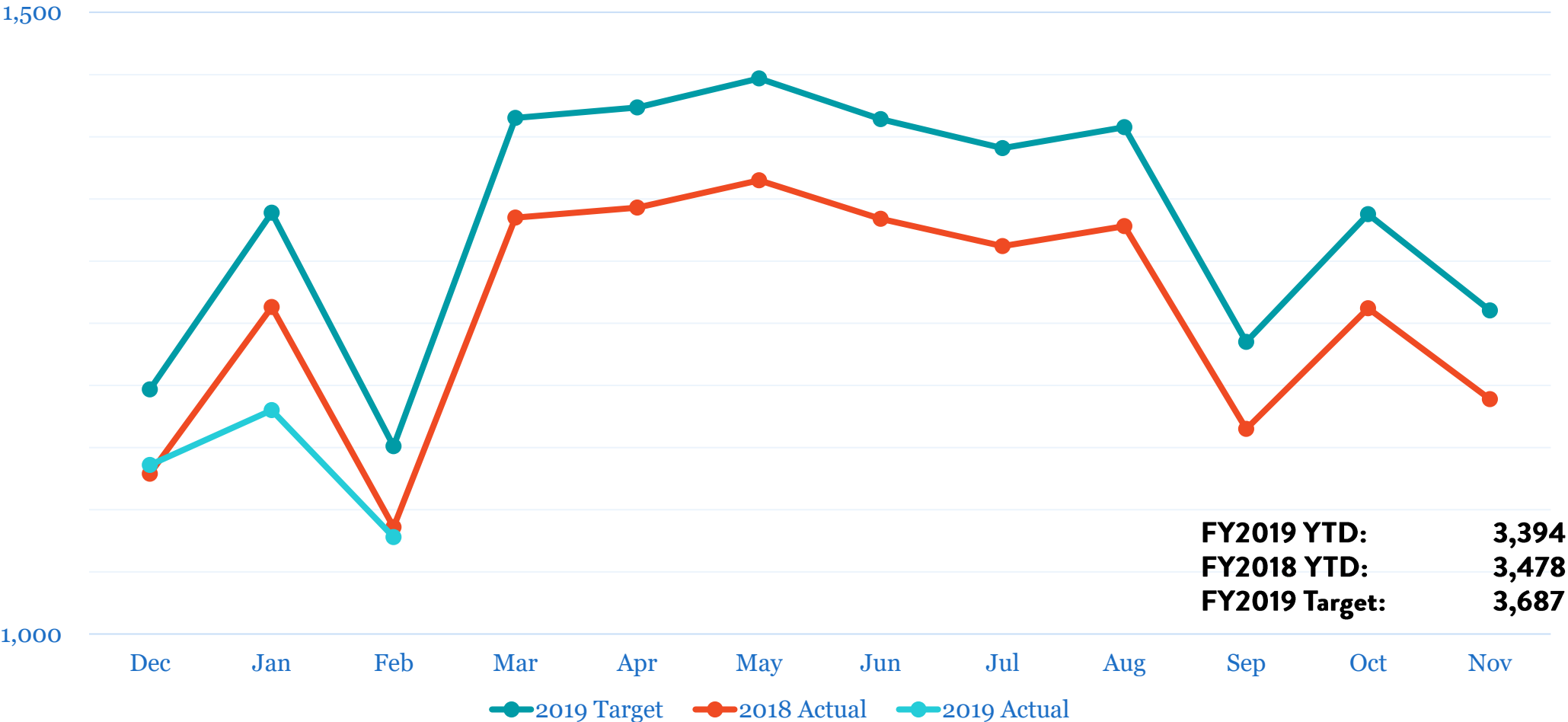
Total Emergency Room Visits



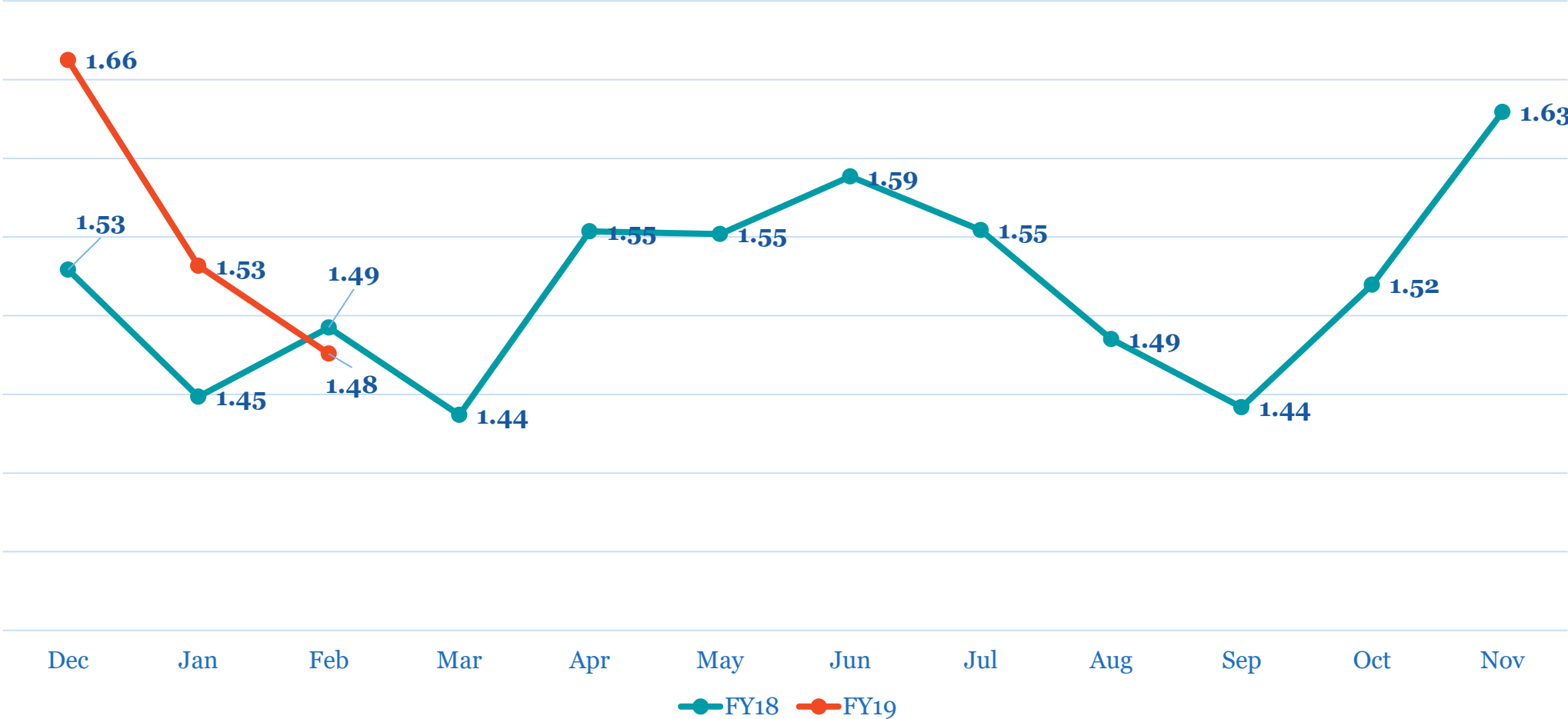
Total Deliveries



Total Surgical Cases



Case Mix Index



Questions?



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